

Tribal Economic Development Task Force

The Tribal Economic Development Task Force was created by House Bill 1213 during the 2014 Legislative Session to provide a more accessible forum for tribal leaders from each of the nine sovereign tribes to meet with legislators and discuss how best to address economic development across the state. The task force consists of a total of nineteen members, one representative from each of the nine tribes located in South Dakota, the Secretary of Tribal Relations, four current or past members of the State-Tribal Relations Committee, and four legislators.

Study Assignment

The task force was created by the 2014 Legislature through HB1213. Section 5 of HB1213 reads, *“The task force shall evaluate issues associated with economic development needs, initiatives, and barriers affecting South Dakota’s Native American population and South Dakota’s Indian tribes and tribal governments. Specifically, the task force shall analyze business and economic sectors and segments having potential for higher levels of success, as well as other possible approaches to improve economic conditions. The task force shall also address workforce availability, including education and skills, related demographics, salary and wage scales, and other issues affecting human resources necessary for the promotion of economic development for this segment of South Dakota’s population.”*

Summary of Interim

The Tribal Economic Development Task Force held its first meeting on December 9, 2014, and held its final meeting on November 20, 2015, completing the task force’s statutory assignment. Throughout the interim, the task force welcomed participation from each of the nine Sovereign Tribes and heard from state agencies and other organizations about various economic programs. The task force also dedicated a significant amount of time with open dialogue to build relationships and to discuss many issues that tend to impede economic development on and around the reservations.

Though each of the nine tribes are very different, the task force found a consensus on some impediments that exist and most significantly, found evidence that some of the impediments thought to impede economic development on the reservations are, in fact, myths that can be dispelled.

The task force heard from Secretary of State Gant about how enacting Uniform Commercial Code (UCC) filings can promote additional credit lending. Based on this testimony, the task force encourages each tribe to consider enacting the UCC and entering into a memorandum of agreement for filing with the Secretary of State.

There was a general consensus that obtaining financing to establish new businesses is an impediment to economic development with many believing that financial institutions will not finance a project on trust land. Through testimony, the task force discovered that this is in fact a myth, however the state and the tribes need to work to dispel this myth by promoting available financing opportunities.

The Governor's Office of Economic Development testified that it does offer support for economic development in tribal communities. The office offers a Revolving Economic Development and Initiative (REDI) Fund program that can be utilized to start up a business. The office also maintains information regarding the Indian Community Development Block Grant Program (ICDBG) and provides assistance in writing grant applications for the program. The ICDBG provides eligible grantees with direct grants for use in developing Indian and Alaska Native Communities.

Over that past few years, the state has made workforce development a top priority. Ms. Marcia Hultman, Secretary, Department of Labor and Regulation, spoke to the Task Force about some of the programs her agency works with such as workforce development, different assessments offered by the department, and youth and mentoring programs that help youth find that first job. The Department of Labor has also been working with some of the tribes to establish pilot programs to develop partnerships with the tribes and to facilitate getting those who want to work to area businesses to fill the available positions. The task force respectfully requests that the state Office of Tribal Relations and the Governor's Office of Economic Development work together to have more accurate and complete workforce demographic information available for each tribe to assist with potential economic development.

The task force heard much testimony regarding issues stemming from lack of accessible roads within the reservations. In general, the lack of quality roads within the reservations makes it difficult and time consuming to travel on the reservation. Many of the tribes believe that poor roads prevent utilization of some businesses on the reservations including the tribal casinos. Secretary Bergquist from the SD Department of Transportation (DOT) explained to the committee that the DOT assesses the condition of all the roads in the state. He explained that there are state roads, county roads, and BIA roads within the reservation and that the state is responsible for maintaining the state roads. His testimony indicated that in general, the state roads that lead onto and through the reservations are generally well maintained. There are an additional 1,300 miles of BIA roads on the reservations. He explained that about 1/3 of these roads are in poor condition and that only some of these roads are eligible for federal maintenance funding. Also, these roads are not eligible for the state funding that was allocated for local government highway and bridge funds in the 2014 Legislative Session. Finally, the county roads are generally maintained by the counties. Some tribes and counties have considered entering into maintenance agreements with the counties, and this may be beneficial in some areas.

The task force found that a best practice for successful economic development was for the tribes and the local county and municipal governments to have periodic meetings to explore ways to work together on issues ranging from infrastructure to financial incentives for economic development projects.

The task force found that the nine tribes have varied approaches to economic development. In general, the tribes have utilized three primary approaches. Some of the tribes use Community Development Financial Institutions (CDFIs) which are to drive economic development. These are non-profit, private sector development institutions. There are chartered economic development institutes on three of the reservations including the Pine Ridge Indian Reservation, and the Cheyenne River Indian reservation.

Pine Ridge has two community development corporations, including the Four Bands Community Funds and the Wounded Knee Community Development Corporation. The Cheyenne River Indian Reservation is home to the Thunder Valley Community Development Corporation. The other tribes have established departments in charge of economic development or quasi-independent entities like Rosebud established the Rosebud Economic Development Corporation. They have all had successes of some degree. The task force agreed that there is not a single best approach.

Task Force Recommendations

The task force was successful as a starting point in opening up the relationship between the state and the tribes. The task force discussions revealed that encouraging economic development on the reservations cannot be solved overnight with a list of recommendations. The process of encouraging economic development in tribal areas needs to be an ongoing event with work from the state and the tribes.

The task force determined that one way to encourage development is to dedicate one full-time employee within the Governor's Office of Economic Development, to work to publicize economic development opportunities for the tribes and tribal members, assist in obtaining available grants, maintain information on the available workforce, and encourage development on the reservations.

Summary of Meeting Date and Places

The task force met in Pierre on December 9, 2014, September 28, 2015, October 30, 2015, and November 20, 2015. The Task Force also met in Mobridge on June 5, 2015, and in Mission on July 10, 2015.

Listing of Task Force Members

Members of the task force were Representative Don Haggar, Chair; Chairwoman Roxanne Sazue (Crow Creek Sioux Tribe), Vice Chair; Senators Jim Bradford, Bruce Rempelberg, and Craig Tieszen; Representatives Elizabeth May and Mike Verchio; Ms. Sarah Zephier (Yankton Sioux Tribe), Steven Sitting Bear (Standing Rock Sioux Tribe), Lower Brule Sioux Tribe, Mr. Marc Benoist (Cheyenne River Sioux Tribe), President Anthony Reider (Flandreau Santee Sioux Tribe), Mr. Tuffy Lunderman (Rosebud Sioux Tribe), and Mr. DelRay German (Sisseton Wahpeton Oyate); Secretary Steve Emery, SD Department of Tribal Relations; Mr. Mark DeVries, Ms. Kathy Tyler, and Mr. Chuck Jones.

Listing of Staff

Staff members were: Amanda Reiss, Senior Legislative Attorney and Cindy Tryon, Senior Legislative Secretary. Roxanne Hammond, Legislative Attorney and Amanda Jacobs, Research Analyst assisted with the Task Force as well.